GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1591
ANSWERED ON:25.07.2017
Price of Sugarcane
Karadi Shri Sanganna Amarappa;Sawaikar Shri Advocate Narendra Keshav;Vasava Shri Mansukhbhai Dhanjibhai

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the details of Sugar production in India during the last three years;
(b) whether it is a fact that sugar production in the country have shown a declining trend, if so, the details thereof along with the reasons for the fall in sugar production and the details of the measures taken by the Government to ensure availability of sugar at reasonable price;
(c) whether there is a demand-supply gap for sugar in the country, if so, the steps taken by the Government to fulfil the demand-supply gap;
(d) whether the price of 'sugarcane' has increased in the country for the farmers in the recent months, if so, the details thereof along with factors contributing to the rise in the prices;
(e) whether an estimate of production cost of sugarcane has not been made during the last three years, if so, the response of the Government thereto; and
(f) the rules put in place for making an estimate of production cost of sugarcane and the reasons for not following these rules?

Answer

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)
(a) Sugar production in the country during the last three sugar seasons (October-September) has been as under:-

Sugar Season	Sugar Production (in Lakh Tons)
2013-14	245.54
2014-15	284.63
2015-16	251.21

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(b) & (c): The sugar production depends upon many factors, viz., sugarcane production, drawl rate, sugar recovery rate, duration of the season, etc. Production of sugar in the country has shown a declining trend since sugar season 2014-15 due to reduction of sugarcane production mainly on account of drought/delayed monsoon in some of the major sugar producing states viz. Maharashtra, Karnataka, Andhra Pradesh, Gujarat and Tamil Nadu. With carry-over stock of 77 Lakh MT and estimated production of about 203 lakh MT in the current sugar season 2016-17, the total availability of sugar is estimated to be sufficient to meet estimated consumption requirement of 244 Lakh MT. However, in order to remove regional production imbalances and to ensure availability of sugar at reasonable price in the country, the Government has allowed duty free import of five lakh MT of raw sugar to sugar mills for processing into white/refined sugar and making available for sale in domestic market during the current sugar season.
(d): The Fair and Remunerative Price (FRP) of sugarcane for the next sugar season 2017-18 has been fixed by the Central Government at Rs. 255 per quintal linked to a basic recovery rate of 9.5%. Further, for every 0.1% increase in recovery rate the FRP will be increased by Rs. 2.68 per quintal. The increase in price of sugarcane over last season was due to factors like rising trend in sugar price, increase in input cost etc.
(e) & (f): Commission for Agricultural Costs and Prices (CACP) recommends FRP of sugarcane every sugar season on the basis of estimated production cost of sugarcane. The estimates of cost of production are provided to CACP by the Directorate of Economics and Statistics, Ministry of Agriculture under the Comprehensive Scheme for studying the cost of production of principal crops in India. On the basis of the recommendations of the CACP and after consultations with State Governments and other stakeholders, the Central Government determines FRP of sugarcane for every sugar season.
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